

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF FRANCES) APPEAL NO. 07-A-2405
M. MESEC from the decision of the Board of) FINAL DECISION
Equalization of Kootenai County for tax year 2007.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing November 6, 2007, in Coeur d'Alene, Idaho before Presiding Officer Linda S. Pike. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Tim Herzog appeared for the Appellant Frances M. Mesec. Chief Deputy Assessor Richard Houser, Residential Appraisal Manager Darin Krier and Residential Appraisers John Wilhel and Bernie O'Brien appeared for Respondent Kootenai County. This appeal is taken from a decision of the Kootenai County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. P76140010130.

The issue on appeal is the market value of a residential property.

The decision of the Kootenai County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$89,775, and the improvements' valuation is \$153,069, totaling \$242,844. Appellant requests the total value be reduced to \$210,000.

The subject property is a .185 acre parcel improved with a 1,666 square foot ranch-style residence built in 1994. Attached is a 832 square foot garage. Subject is located in Riverside Harbor 7th Addition subdivision in Post Falls, Idaho.

Appellant presented four (4) sales of improved residential properties in support of subject's proposed value. The properties were located in subject's subdivision. As there were very few ranch-style homes in the subdivision, Appellant's sales involved split-level homes. The sales occurred in 2006 and involved residences between 1,878 and 1,932 square feet which sold

between \$185,000 and \$209,500. The homes were all built in 1993.

Respondent questioned the sales submitted by Appellant primarily on the basis that the residences were split-level style homes. Respondent stated market data indicated higher demand and corresponding price per square foot for ranch-style homes. While the price range for split-level homes was between \$110 and \$112 per square foot, ranch homes were commanding between \$135 and \$155 per square foot.

Respondent explained subject was located in Geo-economic area 2522 (Geo). The County conducted a ratio study of this area in which 59 sales were analyzed. The study included both ranch-style and split-level homes. Appellant's sales were included in the analysis. The overall average sale price was \$263,095. The ratio study indicated land values were somewhat high in Geo 2522, so values were decreased by 10% from 2006 levels (subject included).

Respondent presented three (3) sales of ranch-style homes that were also included in the overall ratio study. While not located in subject's subdivision, the properties were within the same Geo. The time-adjusted sale prices (.75% per month) were between \$241,328 and \$295,474 and the residences involved ranged between 1,798 and 2,616 square feet. The improvements were considered to be similar in grade and condition as subject.

For reference purposes, Respondent also included two (2) sales from subject's Riverside Harbor 7th Addition subdivision. The ranch-style home was 1,266 and sold in August 2006 for \$304,651. The 1,918 square foot split-level home sold in June 2006 for \$235,350. Both properties were graded as fair and considered in good condition. Subject has a grade of average and is considered to be in good condition.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to

support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

For the purposes of assessment and taxation, Idaho adheres to a market value standard, as defined in Idaho Code § 63-201(10):

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Both parties presented 2006 sales in support of their respective positions. Appellant referenced four (4) sales of split-level homes, similar to subject in terms of age and size. The residences were between 1,878 and 1,932 square feet and sold between \$185,000 and \$209,500. The properties were all located in subject’s subdivision. Details concerning grade and condition were not shared.

Respondent, on the other hand, focused on ranch-style homes for comparison to subject. While not located in the same subdivision, the three (3) properties were in subject’s same Geo-economic area 2522. The residences ranged from 1,798 to 2,616 square feet, with time-adjusted sale prices between \$241,328 and \$295,474. The residences were similar in grade and condition to subject.

Two (2) sales within subject’s subdivision were referenced, but not used to value subject. The first sale involved a 1,266 square foot ranch-style home that sold for \$304,651. The other concerned a 1,918 square foot split-level home that sold for \$235,350. Both residences were graded inferior to subject.

In this case, both parties presented good value evidence for the Board to consider. Both parties' sales shared similarities with subject, though there were some notable differences as well. The most similar properties, however, appear to be Respondent's because they involved residences similar in style to subject. They were noted to be located outside subject's subdivision, whereas Appellant focused on sales within the subdivision. While location is typically a major value component, Respondent's ratio study indicates there is not much difference within Geo-economic area 2522. The statistics provided bear this out. In all, we feel Respondent's sale properties better reflect subject's value.

Subject was assessed just above the lowest sale price presented by Respondent, which demonstrates consideration was given for differences between subject and the sales (i.e. square footage). Subject's assessment appears to be reasonable and fair. Accordingly, the decision of the Kootenai County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Kootenai County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

MAILED April 30, 2008